

Minerals Management Service

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Alternate Energy-Related Uses on the Outer Continental Shelf

The Minerals Management Service received authority for the Outer Continental Shelf (OCS) Alternative Energy and Alternate Use (AEAU) Program under Section 388 of the Energy Policy Act of 2005. Under this authority, MMS will regulate alternative energy projects and alternate use of existing oil and gas platforms on the OCS. Alternative energy includes wind, wave, solar, underwater current and generation of hydrogen. Alternate uses of existing facilities may include, but are not limited to aquaculture, research, education, recreation and support for offshore operations and facilities.

Section 388 of the Energy Policy Act authorized the DOI/MMS, specifically, to:

- Issue leases, easements or rights-of-way on the OCS for alternate energy,
- ensure consultation with States and other stakeholders,
- grant easement, leases, or right-of ways for alternate energy related uses of the Federal OCS,
- pursue appropriate enforcement actions in the event violations occur,
- require financial surety to ensure that facilities constructed are properly removed at the end of their economic life, and
- regulate, monitor, and determine fair return to the Nation.

Section 388 does not authorize any leasing, exploration, or development activities for oil or natural gas.

Status of Rulemaking

MMS is in the process of developing the AEAU programmatic regulations which will be analyzed as a part of a programmatic Environmental Impact Statement (EIS). The programmatic EIS will assess generic impacts from development, operations and decommissioning of renewable energy or alternate use

facilities and identify key issues and mitigation measures that should be considered by subsequent site-specific reviews. Preparation of the programmatic EIS is a multi-step process that will include publication of a draft programmatic EIS, a final programmatic EIS and a record of decision.

In May 2006, MMS published a Notice of Intent to Prepare an EIS in the Federal Register. MMS held public scoping meetings in 10 separate locations in May and June of 2006. MMS conducted stakeholder meetings in Salem, Oregon in October 2006 and in Boston, Massachusetts; West Long Branch, New Jersey; and New York City, New York in January 2007.



Alternative Energy Projects Under Review

The Energy Policy Act gave the Secretary of the Interior responsibility for two existing offshore alternative energy projects, the Cape Wind project and the Long Island Offshore Wind Park. The MMS is reviewing each project's application and supporting information and is preparing environmental evaluations as required by law.

MMS will not accept or review any additional applications for OCS alternative energy projects until after the programmatic regulations are in place.



Cape Wind Energy Project:

Cape Wind Associates has proposed to construct an offshore wind park located on Horseshoe Shoal in Nantucket Sound, Massachusetts, 4.7 miles offshore. The purpose of the project is to provide a utility-scale renewable energy facility project providing electricity to the New England Power grid. The proposed wind park will consist of 130 offshore wind turbine generators arranged to maximize the park's maximum potential electric output of approximately 454 megawatts. The MMS is preparing an EIS for the project.

Long Island Offshore Wind Park project (LIOWP):

The Long Island Power Authority (LIPA) and Florida Power & Light (FPL) have proposed an offshore wind park located about 3-4 miles off the South Shore of Long Island, New York. The proposed wind park would entail installation of 40 turbines to produce 140 megawatts of electricity for use in Long Island communities. The MMS is preparing an EIS for the LIOWP project.

A Word on the Budget

The President's fiscal year 2007 budget request included \$6.5 million to establish all the systems, processes and other elements for alternative energy implementation under Section 388 of the Energy Policy Act. MMS has begun the process of coordinating and consulting with affected states and others and promulgating regulations.

As of February 2007, however, the fiscal year 2007 budget appropriation has not been enacted by Congress. At present, a Continuing Resolution is in effect that funds the government through February 15, 2007. Operating under the present Continuing Resolution (CR) will delay completion of the programmatic environmental impact statement and regulations, ultimately postponing implementation of an OCS-based Alternative Energy Program and the opportunity to evaluate new proposals for alternative energy projects.

For fiscal year 2008, MMS is proposing that applicants for non-competitive renewable energy projects cover the cost of project-specific environmental analyses.

MMS manages offshore oil and gas exploration as well as renewable and alternative energy sources such as wind, wave, and solar on 1.76 billion acres of the Outer Continental Shelf while protecting the human, marine, and coastal environments. MMS also collects, accounts for, and disburses mineral revenues from Federal and American Indian lands, sharing revenues with states, American Indians and individual lease holders, and the U.S. Treasury. The revenues are also contributed to the Land and Water Conservation Fund and other special use funds. In Fiscal Year 2006, disbursements were made of approximately \$12.8 billion, totaling nearly \$164.9 billion since 1982.

For more information on the Minerals Management Service, go to www.mms.gov.

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